



REAL ESTATE RESCUE

TAKE OVER TIPS AND TRICKS



TOP TIPS FOR TAKEOVERS

PRACTICE, PRACTICE, PRACTICE...

Use every lead initially as practice. As you investigate all scenarios you will become an expert and build confidence in yourself. You will learn so much about the court, legal and banking system.

Get people talking, ask lots of open questions. The more they share the more information you will gain about their situation to formulate your take-over proposal.

Not every deal will work so be prepared to learn and walk away with knowledge as the outcome of your time invested.

Never give money to clients until they are out of the property!

Your first few meetings will likely be clunky and awkward. Be persistent and it will get easier.

TIMING

Get in in front of the caller/lead as soon as you can, same day or next day. The longer you leave it the more likely they will stop answering / responding to your calls.

Be prepared to go back several times and make several phone calls and keep in touch. You will need to nurse the contacts. Build trust first, don't talk about \$\$ and numbers.

Keep in contact constantly until they are out of the property and in some instances after they moved out.

ACTIONS SPEAK LOUDER THAN WORDS

Ask them to do something for you, send debt details, bank statements, court notices etc to you. The more they send the more they are engaged in working towards a solution.

Do something for them, it might only be sending 3 or 4 referrals to a pack and store removalists or links in gumtree to rental properties. But show them you are doing something to help them.

Make sure they have exhausted all their other avenues eg early access to super, borrow from friends and family.

THE SHERIFF CAN BE A GREAT ASSET

Always aim to have your deal / paperwork done before the Sheriff eviction date, but the Sheriff can get you extra time (up to 2 weeks) if you get the owner to work with the Sheriff to know they have a solution coming.

If the homeowner is evicted by the Sheriff, it doesn't change anything until the property is listed for sale with an agent.

Get the homeowner to talk to the Sheriff to define dates of eviction – this is the date you need to get something in place and keep working to it.

The Sheriff does several attempts to let the owner know what is happening.

DETERMINE YOUR EXIT STRATEGY AND CONSTANTLY REFINE AS YOU GATHER INFORMATION:

1. Take Over - Renovate and sell
2. Take Over – On sell no renovation
3. Short Sale
4. Purchase it outright under market value – when the problems are too complex!
5. What is your maximum re-sale price
6. What is your minimum re-sale price

ASSESS YOUR RISKS:

Where possible negotiate a price to walk away up front and pay them out once they are out of the property or if you need to wait to settlement make it black and white how much they will get.

Do NOT profit share with a home owner – they will be attached to everything you do.

Put all unknown risks/costs on the owner i.e. Take it out of there agreed share of the sale proceeds.

FIND A PROBLEM THEY HAVE THAT YOU CAN SOLVE

It's almost never about the mortgage and the bank, it will be something else. Don't have money to move, nowhere to go, overwhelmed as a hoarder, poor property condition, pride. Haven't told my partner and family.

MEET WITH ALL THE DECISION MAKERS EARLY

Find out who is involved in the decisions making process (husband, wife, daughter, son etc). If the person you meet has to relay information no one will understand or trust what you're doing. Lost so many deals because of this!

DON'T GO INTO DETAIL – UNLESS THEY ASK FOR IT...

Use everyday language, keep it simple. Don't kill them with forms and information.

PAPERWORK:

Ask the home owner for everything they can get their hands on for bank statements, court notices, sheriff notices. Read each of the documents out in front of them, explain what it means. Reassure them its protecting them and you.

NEGOTIATE:

- Put the least amount of money into the deal as possible
- Ask the bank to capitalise arrears
- Ask council and water authority to wait till settlement
- Ask the real estate agency to take advertising costs at settlement

INSURANCE:

Take out your own.

AAMI / Suncorp – don't say your doing a take over or a short sale and renovating, they have no idea what your doing. Just be evasive that you might be living in it, you might rent it out, you might do some tidying up before you rent, you haven't fully decided as yet.

YOU CAN'T DEAL WITH CRAZY – SO DON'T TRY.

You will come across all sorts of people. Don't work with unreasonable or 'crazy' people.

BANKS LAWYERS:

Expect to get the run around from them initially.

Get your POA or Third-Party Authority to them asap via email and then call and make sure they received it and its 'on file'.

Send a second email to request all the information as per the course material on payout figures etc.

When getting updates always ask if there are any 'unbilled legal charges'.

Call and speak to the person handling the file, make the home owner the problem and you're the solution and build rapport!

Don't use RER terms as the legal representative won't have a clue what you're talking about eg Short Sale, Takeover etc.

Never accept no from the legal representative – they need to get instructions from client 'bank' and they almost always say yes.

If you don't get what you want, ask a different question until you do – be persistent.

Use FOS COS only as a last resort to get you more time, try everything else first.

PAPER WORK:

Just know you need to get it formalised and done. Don't worry initially about what's in the paperwork.

Build the relationship, get an agreement to move forward and then get your paperwork out.

You will get overwhelmed with the paperwork initially when you're working through it with the homeowner for the first time.